

To: Audit & Governance Committee

Date: 28th Nov 2013

Item No:

Report of: Head of Finance

Title of Report: Progress on Implementation of Audit Recommendations

Summary and Recommendations

Purpose of report: To report progress on the implementation of internal and external audit recommendations.

Policy Framework:

Recommendation(s):

The Audit and Governance Committee is asked to note progress with the recommendations listed in Appendix A.

Appendix A – Internal and External Audit recommendation tracker

Background

1. The outcomes of all internal and external audit reports are reported to this Committee. Each report includes recommendations or agreed actions, a summary of those which remain outstanding together with updated management responses are provided in Appendix A.
2. Each recommendation is marked with a % complete which correlates to a red/amber/green rating depending on their percentage complete. Up to 25% complete are marked red, between 25% and 75% complete are amber and over 75% complete are green. However, if there are any recommendations that are less than 50% complete but have not yet exceeded their expected completion date these are also marked as green or amber if they are within one month of their completion date.
3. Any recommendations that were noted as 100% complete at the last meeting have been removed from the tracker.

External Audit Recommendation

4. There are no red recommendations on the external audit tracker and therefore no outstanding recommendations which would give cause for concern
5. There is one remaining external audit recommendation:
 - The Council should obtain a record of the laptop allocations and confirm their location: All service areas have been upgraded to Windows 7, alongside which an up-to-date list of asset numbers and their owners and locations has been consolidated. Only 5% of the organisation remains to be upgraded to Windows 7.
6. There are no external audit recommendations that have exceeded their completion date, and there were no additional recommendations made following the audit of the annual statement of accounts.

Internal Audit recommendations

7. There has been one new internal audit report finalised since the last meeting, relating to Business Continuity Management, the recommendations raised have been added to the tracker. They include ensuring all Business Continuity Plans are updated and reviewed on a regular basis and follow a standard template to ensure they meet the requirements outlined in the Corporate Business Continuity Plan. It is also recommended that a Business Impact Analysis is carried out to ensure all critical activities are captured in the Business Continuity Plans.
8. There are 4 recommendations on the internal audit recommendation tracker that are not 100% complete as follows:
 - a. Reviewing HR policies - work has started on this and following consultation and approval these will now be complete by end of January 2014.
 - b. The recommendation relating to user access rights to network shared drives is being reviewed as part of the Windows 7 roll out. 95% of this project is now complete.
 - c. Health & Safety - updating of information within Uniform - A process has been put in place to improve the updating and accuracy of information. This is currently showing as 50% complete as further work is needed to finalise it.
9. The recommendation relating to Housing Benefit quality checks is a follow up from prior year. This is the recommendation that the Committee have previously been keen to track, therefore although it is marked as 100% complete it is expected that this will remain on the tracker through the year. This will allow the Committee to follow its progress. The target of checking 10% of data is now being met. The process has recently been improved and the level of work now being checked is 10% of 4 FTE'S work. Since the start of October 2013 there have only been three days on

which the 10% target was not met, but this was due to exceptional circumstances such as the Windows 7 upgrade for the team.

10. There are three internal audit recommendations that are being reported as 100% complete and will be removed from the next report.

11. As previously reported there has been an overall improvement in the outcome of our internal audit reviews over the last two years, with the number of low risk audits increasing significantly, this is an encouraging direction of travel. The table below details the percentage of reports and their risk ratings.

Risk Rating	13/14		12/13		11/12		10/11	
	No of reports	% of reports	No of reports	% of reports	No of reports	% of reports	No of reports	% of reports
High	1	50%	1	10%	1	7%	2	15%
Medium		0%	3	30%	9	60%	8	62%
Low	1	50%	6	60%	5	33%	3	23%
	2		10		15		13	

12. Alongside the reduction in risk rating the number of recommendations has also reduced and any recommendations made are now being dealt with in a much timelier manner. The use of the audit tracker and reporting to the Audit & Governance Committee has increased the focus placed on recommendations and ensured they are dealt with more swiftly.

Financial Implications

13. Whilst this report is primarily for noting there is the potential that financial implications could arise for the Council if recommendations are not implemented and the internal audit of processed and procedures highlight areas of risk.

Legal Implications

14. There are no legal implications arising from the recommendations in this report.

Equalities Impact

15. There are no Equalities implications arising from the recommendations in this report.

Climate change/environmental impact

16. There are no Climate Change implications arising from the recommendations in this report.

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Background papers: None

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